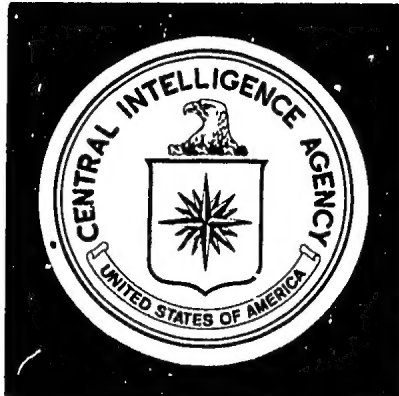


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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

China: Expanding Horizons for International Air Service

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November 1972

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
November 1972

INTELLIGENCE MEMORANDUM

CHINA: EXPANDING HORIZONS
FOR INTERNATIONAL AIR SERVICE

SUMMARY AND CONCLUSIONS

1. In the past two years the People's Republic of China (PRC) has launched a vigorous program to reshape its position in international civil aviation. During this period, Peking has initiated a flurry of negotiations for new civil air agreements and has placed orders for more than one-half billion dollars worth of modern aircraft. China is clearly committed to a far-reaching expansion of its skeletal international air route structure as well as to the opening of the Mainland to a sizable number of non-Communist carriers.

2. During the past 24 months, Peking has ordered 20 modern Trident medium-range jet aircraft from the British for some \$170 million and 10 long-range Boeing 707s for \$145 million, including spare parts and engines. Furthermore, the Chinese have placed a tentative order with the British-French consortium for three supersonic Concorde costing \$150 million. All this has come on the heels of the purchase of six Soviet IL-62 long-range jet aircraft for more than \$40 million. It was the acquisition of these IL-62s that brought China into the modern era of civil aviation. Although all of the Soviet aircraft are now in Chinese hands, deliveries of Western aircraft have now only begun and will extend through 1975. If China goes through with the Concorde deal, the first aircraft will be delivered in 1976.

3. The Boeing sale not only will make China the only Communist country with US jet aircraft in its civil air fleet (except for Yugoslavia) but also will provide a continuing entree for the United States into China's

Note: This memorandum was produced by the Office of Economic Research and coordinated within the Directorate of Intelligence and with the Department of State.

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expanding civil air sector. According to the terms of the purchase agreement, Boeing will train the Chinese flight crews and maintenance personnel at both Chinese and US facilities. Boeing also will assign technical personnel to the Mainland.

4. Peking's initial priorities call for the extension of the route structure to Eastern Europe as the springboard for opening service to Western Europe - a giant step beyond existing coverage, which is limited to Irkutsk, P'yongyang, Rangoon, Ulaan Baator, and Hanoi. Civil air agreements were concluded with Albania, Romania, and Yugoslavia in 1972, and discussions were held with several South Asian and Middle Eastern countries that could offer intermediate stops for any new service. A series of talks has also been held with a number of West European countries that probably will lead to other new agreements. Service to Eastern Europe could start in 1973 to be followed shortly by service to Western Europe, with Paris as the hub. China, which has strong economic and political ties with Tanzania, also is considering opening service to East Africa.

5. Airlines of only four foreign nations - the USSR, North Korea, Pakistan, and France - now serve China. Other airlines may soon be admitted. In the recent air accord with Canada, Peking has held out the possibility of letting a Canadian airline open a Vancouver-Peking link. The lengthy talks with the Japanese strongly suggest a reciprocal Sino-Japanese service is not far off. The thaw in US-PRC relations suggests that US airlines may soon offer non-scheduled charter service to the Mainland. Scheduled service probably is at least one year away.

DISCUSSION

Introduction

6. Civil aviation in China began with the inauguration of a Shanghai-Han-k'ou service in 1929. In the next decade, a thin network was developed, including a few international links to nearby countries. Several companies were involved in these operations, notably China's National Aviation Corporation, formed in 1929 by US interests, and the Central Air Transport Corporation, established in 1931 with German capital. During World War II, service was halted. Although operations resumed after the Japanese defeat, service again was brought quickly to a standstill by the Civil War.

7. Service was restored by the new Communist government in mid-1950 on the basis of extensive aid from the USSR, including aircraft

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and maintenance facilities. Two airlines were established, the Soviet-Chinese Joint Stock Company for Aviation (SKOGA) and the solely PRC-owned China People's Aviation Company (CPAC). Both companies provided limited domestic service, and SKOGA offered international service to the USSR and Mongolia. Late in 1953, SKOGA and CPAC operations were integrated, and within a year the companies were merged to form a single airline owned and controlled by China, the Civil Aviation Administration of China (CAAC). Since then, CAAC has been the overseer of Chinese civil air developments. In 1962, its status was upgraded from a departmental agency of the Ministry of Communications to the General Bureau of Civil Aviation, although the airline acronym CAAC was retained. Throughout the 1960s - when the PRC turned inward to solve its pressing domestic problems - CAAC did little to expand China's international air service. In the past two years, however, CAAC has aggressively sought new civil air agreements and modern aircraft for the civil air fleet. This memorandum describes these recent developments in Chinese civil aviation with particular emphasis on the prospects for expanded international air service.

Civil Air Fleet Inventory

8. As of November 1972, China has 314 aircraft in its civil air fleet. Two-thirds consist of the short-range single-engine AN-2 transports. The aircraft mix, as shown in the table, reflects China's limited domestic and international civil air requirements over the past 20 years. Although Peking no doubt would have been delighted to sponsor a modernized civil air system, resources during that period had to go for other more immediate purposes.

9. The USSR has been the traditional supplier of civil air transports to China. Until 1971 the USSR furnished only obsolete short-range piston and turboprop aircraft more suited for domestic service than for long-haul international operations. In 1971 the USSR sold six long-range (5,700 statute mile) IL-62 jet aircraft to China for about \$42 million (see Figure 1). With this purchase, China made its long-awaited entry into the modern era of civil aviation.

A Move West

10. Throughout most of the 1960s, the PRC had little incentive and showed even less initiative for introducing Western aircraft into its civil air fleet. Feelers went out for used aircraft in Western Europe, and in some instances low-level inquiries were made [redacted] for manuals and technical specifications of Western aircraft. By the end of the decade, these overtures had resulted in the purchase of nine obsolete Western aircraft: five turboprop Viscount 810s bought from the British in 1963

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China: Civil Air Inventory and Aircraft on Order
as of November 1972

| Type | Country of Manufacturer | Number | Engines | Normal Payload ^a | | Speed (Statute Miles per Hour) | Range (Statute Miles) |
|-----------------------|----------------------------|--------|---------|-----------------------------|-------------------|---|-----------------------------|
| | | | | Passengers | Cargo (Pounds) | | |
| Current inventory | | | | | | | |
| Jet | | | | | | | |
| IL-62 (Classic) | USSR | 6 | 4 | 122-186 | 26,250 | 530 | 5,700 |
| Trident 1E | Great Britain | 1 | 3 | 115-139 | - | 596 | 2,100 |
| Turboprop | | | | | | | |
| IL-18 (Coot) | USSR | 11 | 4 | 84-89 | 15,000 | 400 | 4,000 |
| AN-12 (Cub) | USSR | 2 | 4 | 90 | 9,500-21,000 | 385 | 2,250-4,850 |
| Viscount 810 | Great Britain | 5 | 4 | 52 | 14,500 | 300 | 1,600 |
| AN-24 (Coke) | USSR | 6 | 2 | 50 | 8,100 | 290 | 1,325 |
| Piston | | | | | | | |
| IL-14 (Crate) | USSR | 47 | 2 | 24 | 6,350 | 150 | 1,850 |
| IL-12 (Coach) | USSR | 4 | 2 | 24 | 4,750 | 150 | 1,850 |
| LI-2 (Cab) | USSR | 25 | 2 | 19-25 | 3,300 | 150 | 1,400 |
| AN-2 (Colt) | USSR | 207 | 1 | 10 | 1,350 | 140 | 560 |
| On order | | | | | | | |
| Jet | | | | | | | |
| Trident | Great Britain | 20 | | | | | |
| Model 2E ^b | | 18 | 3 | 132-149 | - | 595 | 2,500-2,900 |
| Model 3B | | 2 | 3 | 158-179 | - | 550 | 1,850-1,950 |
| Concorde (SST) | Anglo-French | 3 | 4 | 127 | - | Mach 2.2 | 4,000-4,500 |
| Boeing 707 | United States | 10 | | | | | |
| Model 320B | | 4 | 4 | 189 | 28,200 | 550 | 6,000-6,500 |
| Model 320C | | 6 | 4 | 189 | 96,800 | 550 | 6,000-6,500 |

a. The payload -- either passengers or cargo -- which can be carried with a full fuel load. Generally, additional payload can be carried with less fuel, but to a reduced radius or range.

b. First aircraft delivered for test operations on 13 November 1972.

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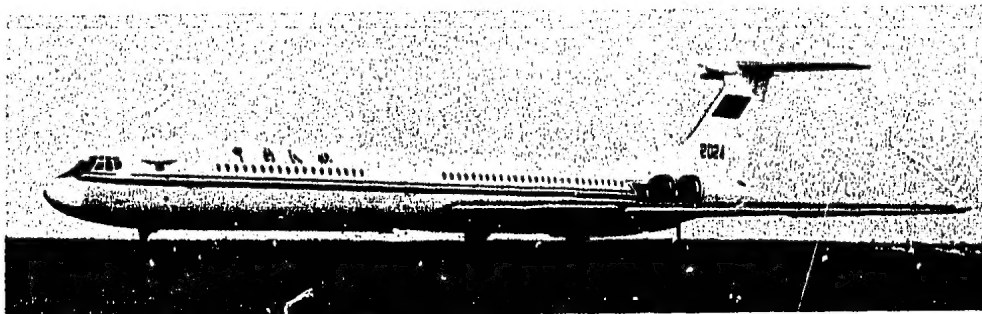
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Figure 1. One of the PRC's six long-range IL-62 aircraft at Bucharest Otopeni Airport in August 1972.

and four British-built Trident 1E jet transports purchased used from Pakistan in 1969. These aircraft saw little international service as they were used mainly on domestic civil and military flights. When the Trident 1Es were delivered in 1970, all were initially assigned to military use. One of these subsequently was transferred to the civil air fleet. Another crashed in Mongolia in September 1971, apparently with China's former Defense Minister Lin Biao aboard.

11. The tempo of Chinese efforts to obtain modern jet civil aircraft from the West picked up momentum in mid-1970, culminating in a purchase in November 1971 of six medium-range (2,700 mile) Trident 2E aircraft worth \$50 million from the Hawker-Siddeley Corporation (see Figure 2).



Figure 2. The first of 18 Hawker-Siddeley Trident 2E aircraft ordered by CAAC -- shown being prepared for flight tests at the company's production plant near London.

Six more of these aircraft were purchased in August 1972 for an additional \$50 million plus a \$6 million order for spare parts. Finally, early in

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November eight more Trident aircraft were purchased for some \$63 million.⁽¹⁾ Hawker-Siddeley deliveries began late in 1972 and will extend into 1975.⁽²⁾ Most, if not all, of the Tridents will be assigned to the civil air fleet, especially for international service. These aircraft are ideally suited for short-range to medium-range direct flights - for example, to Tokyo, Hong Kong, and Singapore.

12. As part of its expansionist policy in international civil aviation, Peking has considered the acquisition of supersonic aircraft. In mid-1972, China placed a tentative \$150 million order for three Anglo/French Concorde (see Figure 3). Completion of the deal will depend on China's

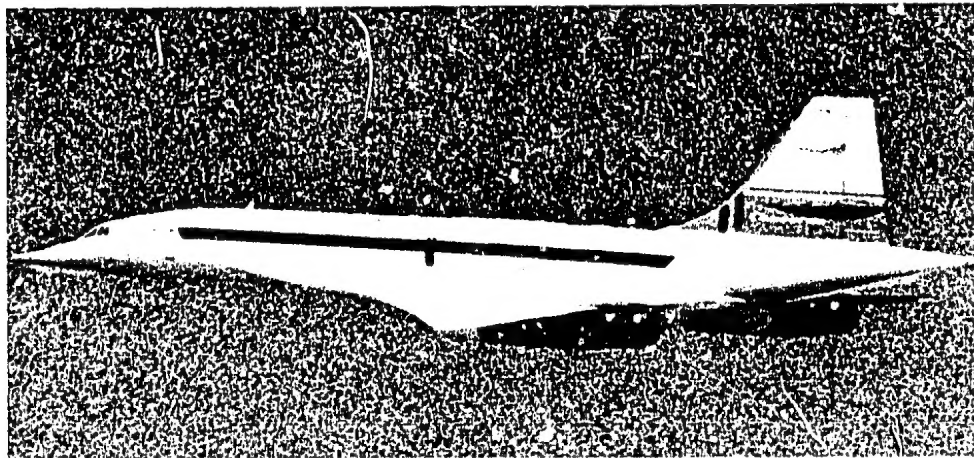


Figure 3. The Anglo-French Concorde

further assessment of its needs based on the proven operational characteristics of the aircraft. The first Concorde is now scheduled to enter commercial operations late in 1974 or 1975, and the Chinese package is earmarked for delivery in 1976 and 1977. The Chinese have shown little interest in the Soviet counterpart aircraft, the TU-144, a reflection probably of their dissatisfaction with the operational characteristics of the six IL-62s.

Boeing Enters the Market

13. The high-water mark of China's program to modernize its civil air assets has been the purchase of 10 Boeing 707 aircraft in mid-1972 for \$125 million together with a \$20 million order for 40 Pratt & Whitney

1. Of the November order, six aircraft were Trident 2Es and two were the newer Trident 3Bs.

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engines to support this fleet. The PRC thus becomes the first Communist nation, except Yugoslavia, to incorporate modern US jet transports in its civil air fleet. Scheduled for delivery over a 10-month period starting in mid-1973, these aircraft will give China the capability not only to increase the frequency of existing domestic and international services but also to extend its international route structure to additional countries, probably in Europe and Africa. The receipt of the 707s could also lead to transatlantic service to Canada. The purchase from Boeing was concluded after several months of arduous negotiations covering a wide range of aircraft, including the jumbo Boeing 747 jet transports. The 707 was finally settled on because it is well suited to China's more immediate needs along long-haul routes that do not have a mass traffic potential. The attractiveness of the aircraft is enhanced because it outperforms the IL-62 and can be serviced worldwide.

14. The Boeing package provides that all 10 aircraft be configured as passenger carriers with both first-class and tourist accommodations. Four will be 707-320B passenger aircraft, and six will be 707-320C convertible cargo/passenger aircraft. Along with provisions for spare parts, Boeing will provide two months' ground training, including two weeks on a simulator for five Chinese crews in Seattle, Washington. Actual flight training will be conducted in China after the aircraft are delivered by Boeing pilots. Boeing probably will assign technical personnel to the Mainland on a continuing basis to provide assistance in aircraft maintenance. About one-half of China's Boeing fleet is expected to be used for VIP travel on domestic and international flights. The remaining planes probably will be assigned to long-haul international routes.

15. China's contacts with other US manufacturers have included discussions with Lockheed for the L1011-1 and McDonnell-Douglas for the DC-10 - aircraft midway in size between the 707 and the 747. China has also shown interest in the newly developed A300 European airbus. Although China may purchase some of these other aircraft, Boeing probably will remain the principal source of modern long-range jet aircraft for the next several years.⁽³⁾ The following tabulation lists some of the Western aircraft in which Peking has shown recent interest:



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| <u>Aircraft</u> | <u>Manufacturer</u> | <u>Normal Payload^a</u> | | <u>Speed (Statute Miles per Hour)</u> | <u>Range (Statute Miles)</u> |
|-------------------|----------------------|-----------------------------------|---------------------------|---|--------------------------------------|
| | | <u>Passenger</u> | <u>Cargo (Pounds)</u> | | |
| 727-100 | Boeing | 70-131 | 12,830 | 570 | 2,600 |
| 747 | Boeing | 374-490 | 62,000 | 580 | 6,000-6,500 |
| DC-10 (Series 30) | McDonnell- | | | | |
| | Douglas | 250-345 | -- | 575 | 4,200-5,000 |
| L-1011-1 | Lockheed | 256-400 | 45,750 | 570 | 3,500-4,000 |
| A-300 | Coordinated | | | | |
| (European | West Europe | | | | |
| Airbus) | efforts ^b | 256-302 | 63,870 | 550 | 1,900-2,400 |
| | | | | | |

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- a. The payload -- either passengers or cargo -- which can be carried with a full fuel load. Generally, additional payload can be carried with less fuel, but to a reduced radius or range.
- b. French, British, German, Dutch, and Spanish manufacturers.

Current Status of International Air Service

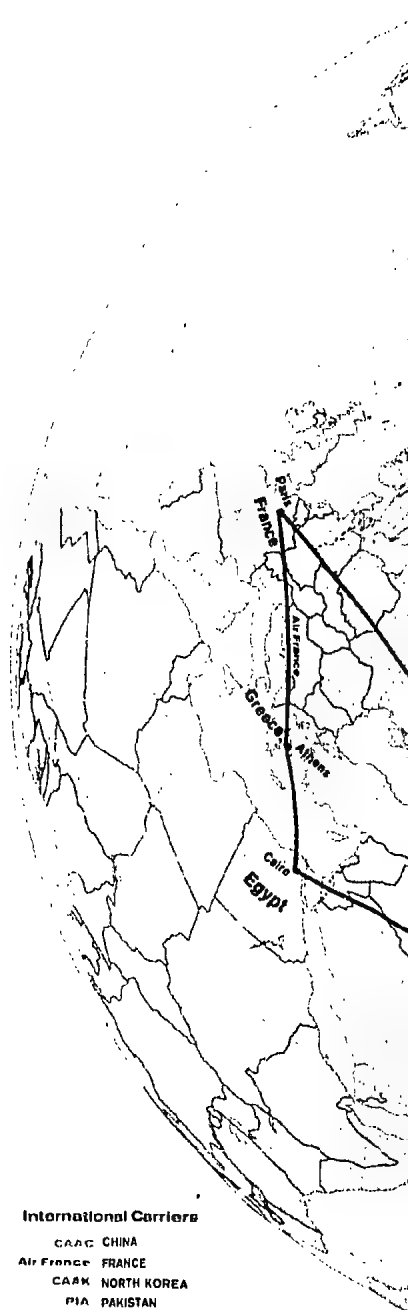
16. As of November 1972, CAAC is operating a skeletal international route network with service radiating from Peking. Separate, weekly IL-14/IL-18 flights leave the capital for Irkutsk, P'yongyang, and Rangoon. Ulaan Baator is served on a non-scheduled basis. There is also twice-weekly service from Nan-ning to Hanoi, with Peking and Canton connections. This overall route structure, augmented by scheduled service to and from China by four foreign airlines -- Aeroflot (the Soviet state airline), CAAK (the North Korean state airline), PIA (the Pakistan International Airline), and Air France (see Figure 4) -- has been sufficient to provide for official government travel as well as for trade and technical exchanges. Service by the foreign carriers links China with gateway cities such as Karachi, Moscow, Cairo, Athens, and Paris. There is no direct service to Tokyo; Chinese travelers normally go to Hong Kong to pick up a Tokyo flight.

Foreign Communist Air Service

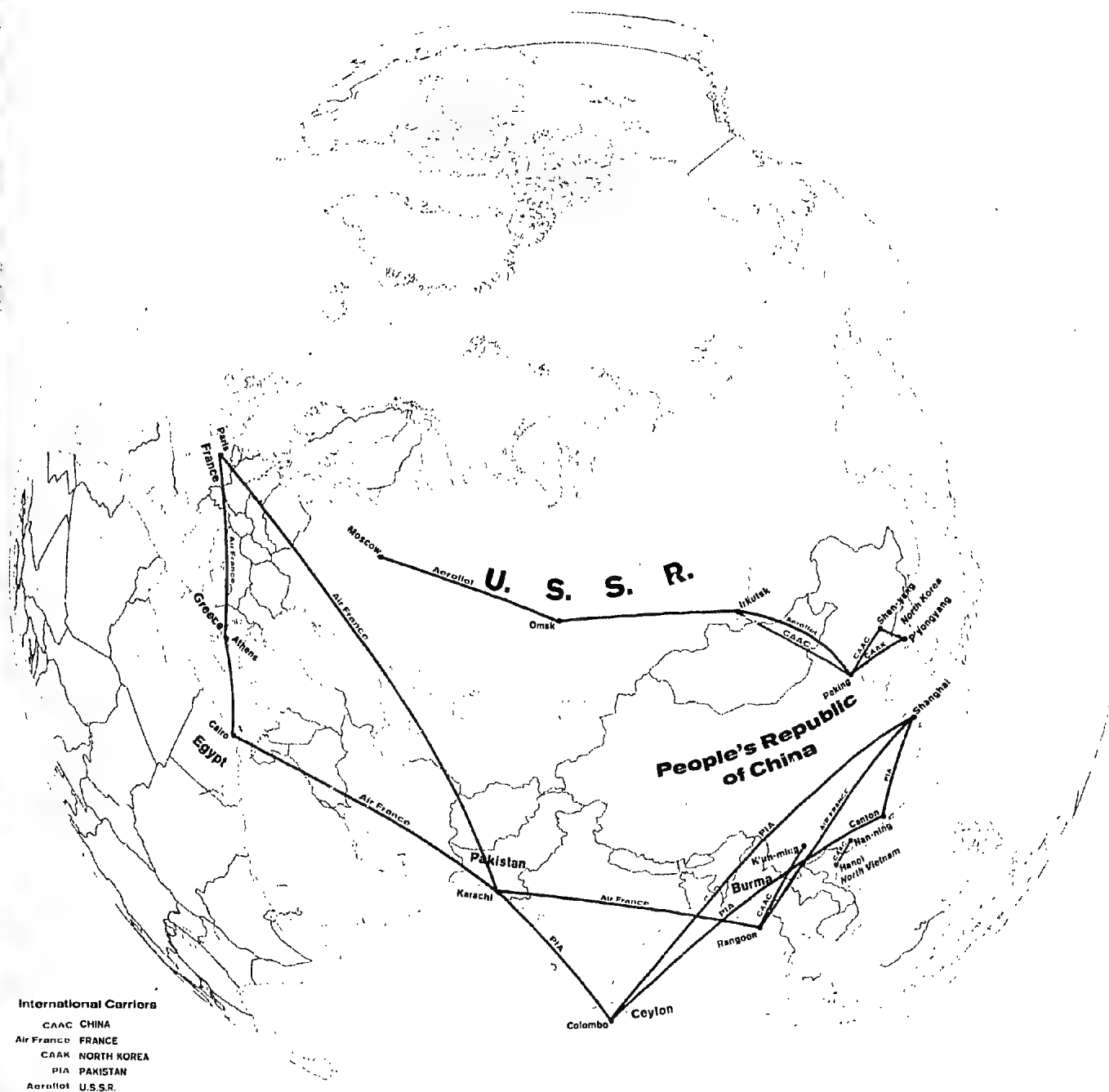
17. Communist airline service to China began nearly two decades ago, when Aeroflot initiated an unscheduled service from Chita to Peking and from Moscow to Peking. In 1959, CAAK entered the picture by offering intermittent service from P'yongyang to Peking. There were no significant changes in these services until 1963, when Aeroflot introduced scheduled weekly flights from Moscow to Peking as well as a weekly flight to Irkutsk

People's Republic of China **Scheduled International Air Service** **November, 1972**

| Airline | Itinerary | Flight Designation | Flights Per Week | Type of Aircraft |
|------------|---|--------------------|------------------|------------------|
| CAAC | K'un-ming-Rangoon | CA-043 | 1 | IL-18 |
| | Nan-ning-Hanoi | CA-115 | 2 | IL-14 |
| | Peking-Shen-yang-P'yongyang | CA-117 | 1 | IL-14 |
| | Peking-Irkutsk | CA-135 | 1 | IL-18 |
| Aeroflot | Moscow-Omsk-Irkutsk-Peking | SU-571 | 1 | TU-104 |
| CAAK | P'yongyang-Peking | KB-151 | 1 | IL-14/AN-24 |
| Air France | Paris-Karachi-Rangoon-Shanghai | AF/UT-178 | 1 | Boeing 707 |
| | Paris-Athens-Cairo-Karachi-Rangoon-Shanghai | AF/UT-180 | 1 | Boeing 707 |
| PIA | Karachi-Colombo-Canton-Shanghai | PK-750 | 1 | Boeing 707 |
| | Karachi-Colombo-Shanghai | PK-752 | 1 | Boeing 707 |



International Carriers
 CAAC CHINA
 Air France FRANCE
 CAAK NORTH KOREA
 PIA PAKISTAN
 Aeroflot U.S.S.R.



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that connected with the CAAC service. At about that time, North Korea's civil airline increased its schedule to include twice-weekly flights between P'yongyang and Peking.

Non-Communist Air Service

18. In the late 1950s, KLM and SAS, the Dutch and Scandinavian international carriers, respectively, informally approached Peking to open service to the Mainland and were turned down. In April 1964, after some nine months of negotiations, PIA became the first non-Communist airline offering service to China. PIA inaugurated weekly flights from Dacca (directly connecting with service from Karachi) to Shanghai and Canton. A month later, RAC (Royal Air Cambodge) opened weekly flights between Phnom Penh and Canton via Vientiane and in January 1965 was joined by Garuda, the Indonesian Airline, which offered weekly service from Jakarta to Canton via Phnom Penh. Currently, only PIA is still flying to China. Garuda service was terminated in 1967 when the PRC and Indonesia severed diplomatic relations. RAC dropped its service in mid-1969, supposedly because of equipment shortages and low load factors. PIA's service is now flown on a twice-weekly basis using Boeing 707s between Karachi and Shanghai via Columbo. One of these flights also stops at Canton.

19. Air France is the only West European airline offering scheduled service to China. Its flights began in September 1966 on a weekly basis using Boeing 707s between Paris and Shanghai. Over the years, a few changes were made in intermediate points of service, and in March 1972 flights were increased to twice-weekly service - both via Karachi and Rangoon with one including a stop in Athens and Cairo.

International Air Agreements - Old and New

20. As part of its long view for extended international operations, China in the last few years has pursued an aggressive civil air agreements policy. By November 1972, Peking had 21 agreements in force of which seven have been concluded since 1970 (see Figure 5).⁽⁴⁾ The drive for new agreements, which began in mid-1970, picked up momentum late in 1971 and roughly paralleled the ambitious programs for purchasing aircraft. As these agreements evolved, it was clear that China had embarked on a double-track program aimed at broadening its own international service and at opening the Mainland to other foreign non-Communist carriers. Peking's initial priorities are to extend its route network to Eastern Europe - Bucharest, Tirana, and Belgrade - as the basis for ultimately inaugurating service to Western Europe and Africa.

4. Ma Jen-hui, Deputy Director of CAAC, has coordinated the overall air agreements program during the last two years, heading most of the delegations

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Eastern Europe

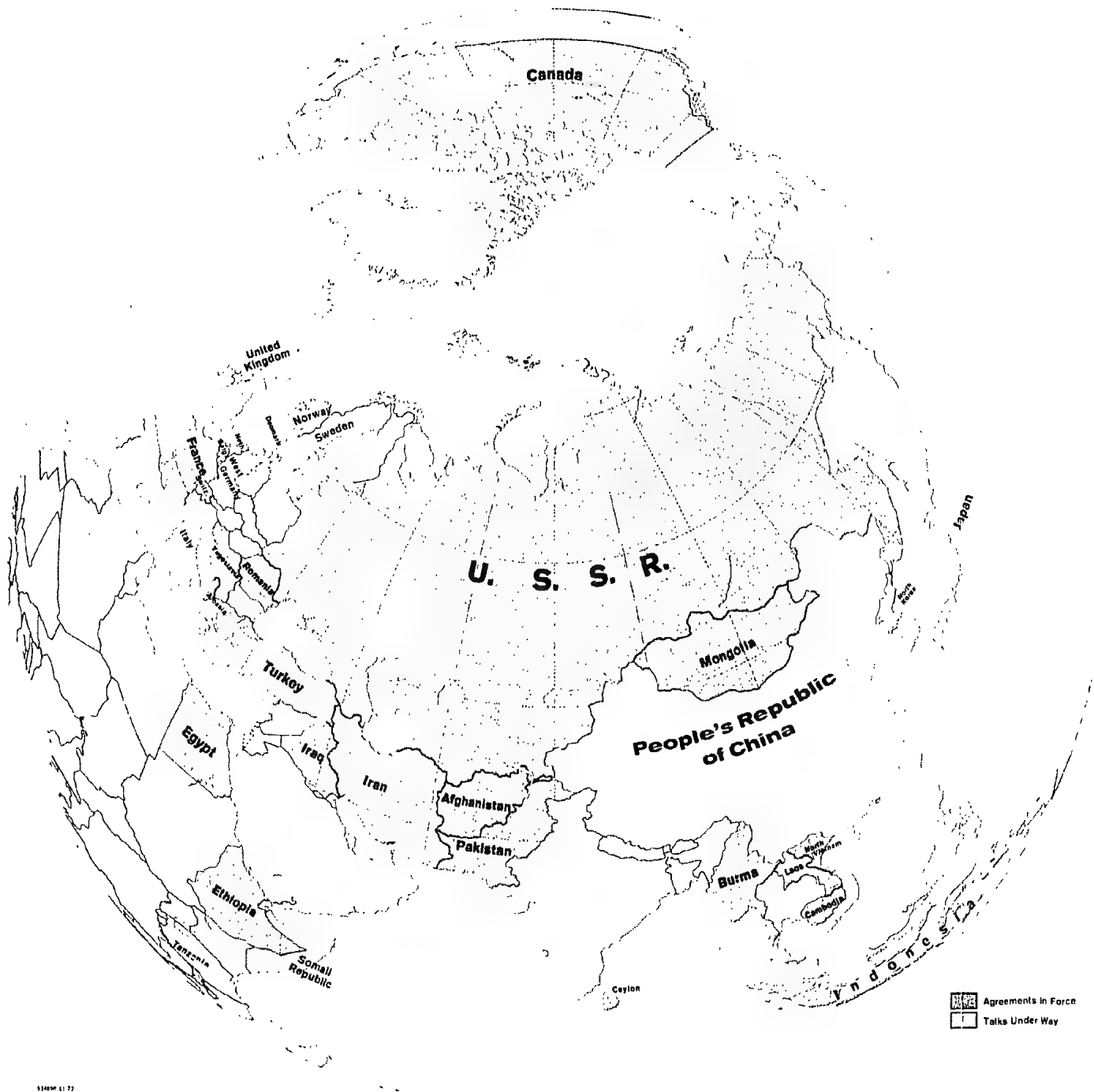
21. During a three-week period in the spring of 1972, China signed civil air agreements with Albania, Romania, and Yugoslavia. Peking simultaneously was holding talks with Afghanistan, Pakistan, Iran, and Turkey -- countries that could provide intermediate stops for any new service to Eastern Europe, and, in some cases, for flights to Western Europe. Service to Bucharest, Tirana, and Belgrade may begin early in 1973, probably on a bi-weekly basis, with intermediate stops in Karachi, Tehran, and Istanbul. Should Romania's national airline (Tarom) fail to offer reciprocal service, Peking may opt for weekly flights.

Western Europe

22. Paris will be the major hub for CAAC's initial service to Western Europe that should begin in 1973. The air agreement with France which opened Shanghai to Air France gives Peking reciprocal landing rights in Paris. The Chinese probably will operate a multiple route structure to Western Europe. One route will be a logical extension of the expected East European service, thus permitting the more efficient use of Peking's small fleet of long-range aircraft. The other route may transit Karachi, Kandahar, Tehran, and Cairo, entering Western Europe via Rome. Italy is known to be anxious for its Alitalia Airline to open service to the PRC, and talks currently under way with Peking could result in an interline agreement providing CAAC with rights to and beyond Rome. A spate of formal contacts with London, Brussels, Copenhagen, and Geneva suggest that Peking is interested in servicing these areas as well.

Africa

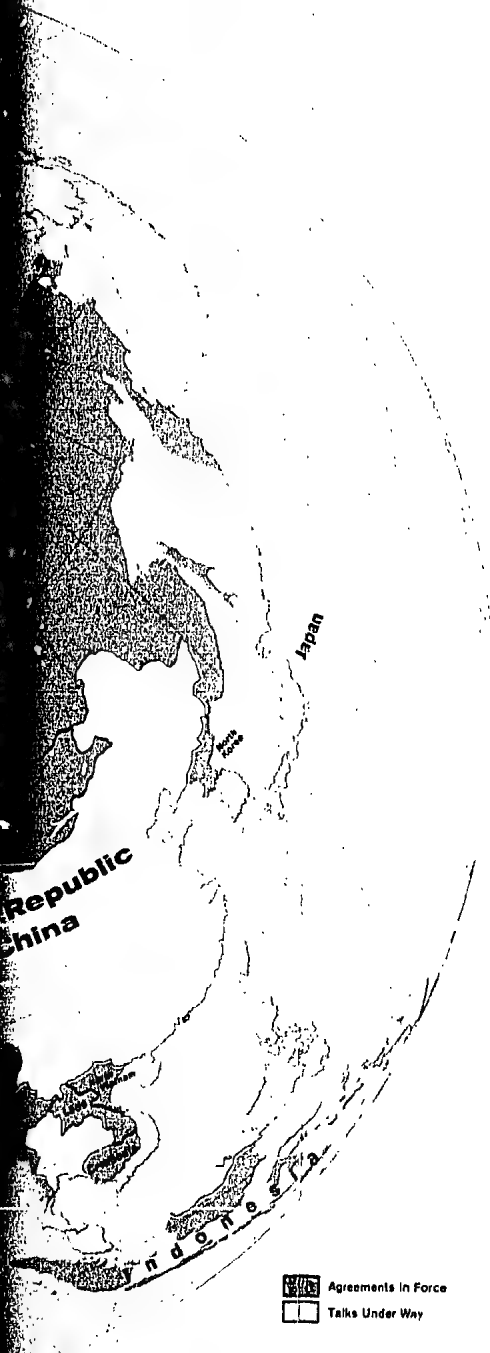
23. Service to East Africa ranks high on China's list of priorities for expanding its international route structure. East African service almost certainly will focus on Dar es Salaam, the capital of Tanzania, where Peking has a strong economic and political foothold. PRC-Tanzanian air talks are believed to have been under way for more than one year and a formal agreement is considered a surety. The recently concluded air agreement with Ethiopia gives Peking the option of routing the service via Addis Ababa, providing overflight rights are gained from Kenya. An alternative route structure could include stops at Hudaydah, Yemen, or Mogadiscio, Somali Republic. In either case, entry into Africa will be via intermediate points in South Asia that will be served by CAAC's expected run to Europe.



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People's Republic of China **Civil Air Agreements in Force and** **Countries With Whom Aviation Talks are** **Known to be Under Way, November 1972**



 Agreements in Force
 Talks Under Way

Agreements in Force

| <u>Country</u> | <u>Date</u> | |
|------------------|---------------------------|----------------------|
| <u>Communist</u> | <u>Original Agreement</u> | <u>Latest Update</u> |
| Albania | March 1972 | |
| Mongolia | January 1958 | |
| North Korea | February 1959 | |
| North Vietnam | April 1956 | May 1971 |
| Romania | April 1972 | |
| USSR | December 1954 | |

Non-Communist

| | | |
|--------------------|----------------|------------|
| Afghanistan | November 1963 | July 1972 |
| Burma | November 1955 | |
| Cambodia | November 1963 | |
| Canada* | October 1972 | |
| Ceylon (Sri Lanka) | March 1959 | |
| Egypt | May 1965 | |
| Ethiopia | July 1972 | |
| France | June 1966 | |
| Indonesia | November 1964 | |
| Iran | November 1972 | |
| Iraq | July 1967 | |
| Laos | January 1962 | |
| Pakistan | August 1963 | March 1972 |
| Turkey | September 1972 | |
| Yugoslavia | April 1972 | |

* Initialed, to be signed shortly

Talks Under Way

| <u>Country</u> | <u>Remarks</u> |
|-----------------|---|
| Belgium | Intermittent discussions, the most recent October in 1972. |
| Denmark | Intermittent discussions, the most recent in October 1972. |
| Italy | A series of talks has been held which may result in an agreement early in 1973. |
| Japan | High-level diplomatic talks will almost certainly lead to an air link some time in 1973. |
| Netherlands | The Dutch, in September 1972, asked the PRC to reinstate the pre-1949 air agreement, and further discussions will be held at a later date. |
| Scandinavia | Scandinavian countries and the PRC have held several discussions during the past year; the most recent was in September 1972. An agreement is expected in 1973. |
| Somali Republic | PRC representatives first mentioned the possibility of an air link in mid-1971, but no further mention of the subject has been noted. |
| Switzerland | A Swiss aviation delegation visited the PRC in June 1972 and held preliminary talks with Chinese aviation officials. Any agreement will require further talks. |
| Tanzania | Discussions under way. |
| United Kingdom | The PRC and British aviation officials have held a series of aviation talks, and an agreement is expected by mid-1973. |
| West Germany | The PRC and West Germany are scheduled to begin detailed aviation talks early in 1973. |

SECRET**Expanded Foreign Airline Service to the Mainland**

24. A substantial increase in non-Communist airline service to the Mainland may be expected during the next few years. Indeed, in some instances, new services may precede the expected expansion of China's own international route network. Since January 1971, at least 17 major non-Communist airlines have either been involved in discussions or made preliminary contact with the Chinese concerning such services. They include major carriers such as Alitalia, Canadian-Pacific (CP), BOAC, Yugoslav Airlines (JAT), Japan Air Lines (JAL), Swiss Air, Cathay Pacific, Philippine Airlines (PAL), Scandinavian Airlines (SAS), and All Nippon Airways (ANA). One small international carrier, Ethiopia's EAL, is already scheduled to begin service to Shanghai via Bombay, probably early in 1973.

25. Negotiations with the major carriers have moved slowly. Apparently the Chinese are reluctant to grant reciprocal rights to countries that Peking itself does not intend to serve in the near term. Nonetheless, there has been progress. In its early talks with Canadian Pacific, Peking held out the possibility that CP might serve the Mainland prior to the opening of a reciprocal CAAC-Canadian service. Early in October 1972, Ma Jen-hui visited Canada and reached agreement on a new broad-based civil air accord. At that time he held out the possibility of opening a Vancouver-Peking link. Discussions with Alitalia also are moving along the same vein, and a Rome-Peking air link may soon be in the offing.

26. Among Communist carriers, only Romania's Tarom is likely to initiate a new service to China, on the basis of the recently concluded PRC-Romanian air accord. Romania, which has had a longstanding interest in opening such a service, has been stymied by the lack of suitable aircraft. Romania originally was expected to use Soviet IL-62s on the China run, but early in November 1972 Romania canceled its 1971 order for three IL-62s, reportedly because of two recent crashes of this aircraft. Simultaneously, the Romanians also supposedly renewed their interest in the Boeing 707.

Sino-Japanese Relations

27. Japan has long sought to open a civil air link to China, and this goal may be realized soon. Japanese initiatives began as early as 1967 but were frustrated repeatedly in the absence of a political detente. By mid-1971, optimism was on the rise again as Japanese business and government representatives and Chinese officials repeatedly spoke of a possible Sino-Japanese air accord. In early August 1972, the presidents of Japan Air Lines and All Nippon Airways arrived in China aboard the first Japanese aircraft to call at the Mainland since World War II. Discussions

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were held with high-ranking CAAC officials, probably to lay the groundwork for further talks that apparently were on the agenda during Premier Tanaka's visit to China in September. The recent establishment of diplomatic relations between both countries/

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suggests reciprocal service between both countries is on the horizon.

28. Besides facilitating trade, this service would connect China with one of the major aviation crossroads in Asia - Tokyo. Several major non-Communist airlines want to include Tokyo as an intermediate or beyond point on a China route to generate additional traffic, but Japan is highly unlikely to acquiesce before one of its own carriers inaugurates service.⁽⁵⁾

US-Chinese Civil Air Relations

29. Expanded civil air service to the Mainland may eventually include US carriers as well. Three airlines - PANAM, TWA, and Northwest - currently hold US Civil Aeronautics Board (CAB) certificates of authority to serve China which date back to the 1940s. Recently, American Airlines and United Airlines filed applications with the CAB for permission to serve the Mainland and may soon be followed by Continental Airlines. In addition, some US charter carriers may follow suit soon. For their part the Chinese have been exploring the viability of CAAC service to New York and other points in the Western Hemisphere. Political rather than economic factors are the major stumbling block to the establishment of US-Chinese air relations.⁽⁶⁾

30. Scheduled US airline service to the Mainland would presumably require conclusion of a US-PRC air agreement.⁽⁷⁾ The PRC might insist that such an agreement establish Mainland service for only one US carrier. In addition to an exchange of reciprocal service rights, any US-PRC air accord would probably also include an agreement on new standards for aircraft certification for air worthiness and for the provision of suitable airport facilities.⁽⁸⁾ Resolution of these technical issues would be speeded if Peking becomes a member of the International Civil Aviation

5. In the past the Japanese domestic airline ANA has been the carrier most frequently mentioned in connection with service to China. It is probable, however, that JAL, because of its experience on international routes and its political connections in Japan, will be the carrier to inaugurate such a service. A joint ANA/JAL service is also a possibility, but has not yet been suggested.

6. On 22 November the United States lifted its 22-year ban on commercial flights to China.

7. In 1946 the United States signed a bilateral air agreement with the Kuomintang regime and it has been the basis for civil air service between Taiwan and the United States.

8. For a brief description of existing Chinese airport facilities, see Appendix B.

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Organization (ICAO). Founded in 1944, ICAO, which is now a United Nations member agency, was created to foster coordination and growth of international civil aviation. It has established a number of technical standards for aircraft and aviation equipment, as well as recommended civil aviation practices to which member nations are asked, but not required, to subscribe. China has sent observers to a number of ICAO meetings but has not yet joined the organization, even though the Taiwan regime was forced out.

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APPENDIX B

China's Major International Airport Facilities

Three Chinese airports -- Shanghai, Peking, and Canton -- are currently handling all existing international traffic and are expected to continue to do so even if traffic increases dramatically. Each has been improved periodically since 1965. At present, the Shanghai airport, which is located some seven miles from the heart of the city, has the most modern facilities. With their present equipment, all three airports could accommodate several times the combined domestic and international traffic now handled. Nonetheless, the government almost certainly intends to upgrade them substantially in the next several years. A major survey of civil airfields at Harbin, Peking, Nan-ch'ing, Shanghai, and Canton reportedly is under way. Chinese authorities intend to examine the entire spectrum of civil airfield operations such as runways, airport facilities, communications radar, support equipment, navigation facilities, and passenger accommodations. The tabulation provides some detail of China's international airport facilities.

| <u>Location</u> | <u>Maximum Runway (Feet)</u> | <u>Remarks</u> |
|---|--------------------------------------|--|
| Shanghai: Hungchiao (Rainbow Bridge) | Concrete 10,500 long 230 wide | The airport is seven miles from downtown. Equipment includes high-intensity lighting and a Chinese-made instrument landing system (ILS). The runway and ILS were rated adequate and comparable to that at many airports around the world by US technical personnel involved in preparation for President Nixon's trip. |
| Canton: Paiyun (White Cloud) | Concrete 11,400 long 220 wide | The airport is 10 miles from downtown and has lighting and ILS similar to that at Hungchiao. |
| Peking: Central Airport | Concrete 10,500 long 260 wide | The airport is 16 miles from downtown. In contrast to Canton and Shanghai, the ILS is probably Soviet-built, using non-directional beacons. |